

 NÓTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) - Paid-Up With 640 Acres Pooling Provision

Address Agricultures and the

## PAID-UP OIL AND GAS LEASE (No Surface Use)

THIS LEASE AGREEMENT is made this 1st day of January, 2010, by and between Lorna L. Wright, whose address is 4120 Arroyo Tr, Lake Worth, Tx 76135, as Lessor, and CHESAPEAKE EXPLORATION, L.L.C., an Oklahoma limited liability company, whose address is P.O. Box 18496, Oklahoma City, Oklahoma 73154-0496, as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described land, hereinafter

11, Block 9 of the Highland Lake Addition, First Filing, an addition to the city of Lake Worth Village, Tarrant County, Texas, according to the plat thereof recorded volume 388-5, page 67, play records, Tarrant County, Texas, including an streets, alleys, right of ways, gores and strips of land adjacent and contiguous hereto and made a part hereof.

in the County of TARRANT, State of TEXAS, containing 0.2684 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription of in the County of TARRANI. State of TEXAS, containing 0.2684 gross acres, more or less (including any interests therein which Lessor may nerealter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less. whether actually more or less

- 2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of three (3) years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof. Option: Lessee shall have the right to extend the primary term of this lease for an additional two (2) year period by paying the Lessor the equivalent of the same lease bonus contained the primary term of this lease for an additional two (2) year period by paying the Lessor the equivalent of the same lease bonus contained the primary term of this lease for an additional two (2) year period by paying the Lessor the equivalent of the same lease bonus contained the primary term of this lease for an additional two (2) year period by paying the Lessor the equivalent of the same lease bonus contained the primary term of this lease for an additional two (2) year period by paying the Lessor the equivalent of the same lease bonus contained the primary term of this lease for an additional two (2) year period by paying the Lessor the equivalent of the same lease bonus contained the primary term of this lease for an additional two (2) year period by paying the Lessor the equivalent of the same lease bonus contained the primary term of this lease for an additional two (2) year period by paying the Lessor the equivalent of the primary term of this lease for an additional two (2) year period by paying the Lessor the equivalent of the same lease bonus contained the primary term of the prima
- 3. Royaltics on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's separator facilities, the royalty shall be twenty-five (25%) of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity; (b) for gas (including easing head gas) and all other substances covered hereby, the royalty shall be twenty-five (25%) of the proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such be production, severance) and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to purchase such production at the prevailing well-dead market price paid for production of similar quality in the same field (or if there is no such lessee shall have the continuing right to purchase or high production at the production and production therefore is not being sold by Lessee, such well or wells are either shut-in or production therefore is not being sold by Lessee, such payments of the purpose of maintaining this lease. If for a period of 90 consecutive days such well or wells are shut-in or production therefore is not being sold by Lessee, such well or wells are shut-in or production the 3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's
- or operations on such dry note or within 90 days after such cessation of all production. If at the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force so long as any one or more of such operations are prosecuted with no cessation of more than 90 consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, as long thereafter as there is production in paying quantities from the leased premises or lands pooled therewith. After completion of a well capable of producing in paying quantities hereunder, Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a reasonably prudent operator would drill under the same or similar circumstances to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or lands pooled therewith, or (b) to protect the leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein.
- uncompensated dramage by any well or wells located on other lands not pooled therewish. There shall be no covenant to druit exploratory wens or any administrative compensation of the provided herein.

  6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acree plus a maximum arrange telerance of 10%, and for a gas well or short and completion shall not exceed 10% acree plus a maximum arrange telerance of 10%, provided that a larger unit may be formed for an oil well or gas well or horizontal completion shall not exceed 80 acree plus a maximum arrange telerance of 10%, provided that a larger unit may be formed for an oil well or gas well of the propose of the foregoing, the terms, variety of the propose of the foregoing, the terms, variety of the propose of the foregoing, the terms, variety of the propose of the foregoing, the terms, variety of the propose of the foregoing, the terms, variety of the propose of the foregoing, the terms, variety of the propose and the propose of the foregoing, the terms, variety of the propose and the propose of the foregoing, the terms, variety of the propose and the propose of the foregoing, the terms of the propose and the propose of the foregoing, the terms, variety and the propose and the propose of the foregoing, the terms of the propose and the propose of the foregoing the propose of the foregoing the propose of the foregoing the propose of the prop 6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as

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- 10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanted recovery. Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including byt not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or heterafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well cassing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

  11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurnsd
- delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

  12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

  13. No litigation shall be initiated by Lessor with respect to any breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.
- 14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well here easement under and through the leased premises for the placement of well hore (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well hore easements shall run with the hort and earlier to the contract of the land of of the

are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties hereunder, without interest, until Lessee he subrogated to the rights of the party to whom payment is made, and, in addition to the tessor shall be subrogated to the rights of the party to whom payment is made, and, in addition to the contrary in this lease will be exercised in the event Lessee is made aware of any claim inconsistent with Lessor will be subrogated to the rights of the party to whom payment is made, and, in addition to the subrogated to the rights of the party to whom payment is made, and, in addition to the subrogated to the rights of the party to whom payment is made, and, in addition to the sub

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, xecutors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lesson

LESSOR (WHETHER ONE OR MORE)

rna LMa

ACKNOWLEDGMENT

STATE OF TEKA COUNTY OF TAVYAR

This instrument was acknowledged before me on the 29th day of Januar

2010, by Lorna L. Wright.

JANET GREEN Notary Public STATE OF TEXAS My Comm. Exp. September 24, 2011

Ndtag 's name (printed): Notary's commission expires:

> RECEIVED FEB 03 2010

Telephone in the second

High.

## SUZANNE HENDERSON

**COUNTY CLERK** 



100 West Weatherford Fort Worth, TX 76196-0401

PHONE (817) 884-1195

TURNER OIL AND GAS PROPERTIES 1314 LAKE STREET 202 FTW, TX 76102

Submitter: TURNER OIL & GAS PROP, INC.

## <u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.

Filed For Registration: 2/11/2

2/11/2010 1:48 PM

Instrument #:

D210032621

LSE

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**PGS** 

\$20.00

By: Byan Winker

D210032621

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

Prepared by: DBWARD